

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re

PAULA MARIE BRUCE,

No. 11-10822

Debtor(s).

Finding of Contempt and Memorandum on Motion to Set Aside Order

Debtor Paula Bruce filed a Chapter 11 petition on March 7, 2011, and the case has been floundering ever since. Bruce is represented by an unpaid attorney working *pro bono* who freely admits that she knows nothing about Chapter 11 and is not competent to represent a Chapter 11 debtor in possession. This attorney has represented to the court that prior to bankruptcy Bruce paid \$19,666.00 to the Corvus Law Group to represent her, but the firm failed to file on her behalf and failed to return the funds.

On March 24, 2011, Bruce's counsel filed a motion to compel the Corvus Law Group to return Bruce's money. The matter came on for hearing on April 15, 2011. The Corvus Group completely ignored the motion and did not appear at the hearing. The court could have issued an order at that point, but given the urgency of the matter - Bruce has no other funds available to hire proper counsel - the court issued its own order on that date, requiring the Corvus Law Group and some of its members to file a detailed statement of fees and expenses by May 2 and to appear before the court on May 6, 2011. The order stated that "Failure to comply may result in a complete forfeiture of all fees and an

1 order that you return all fees heretofore received by you to the debtor.”

2 The Corvus Law Group did not file the statement of fees and expenses, nor did they appear at
3 the hearing. The court accordingly ordered them to refund all of the money to Bruce, together with
4 \$250.00 per day for each day until compliance. The court also suspended their electronic filing
5 privileges and their right to file new bankruptcy cases in this district.

6 After the court entered its order, it learned that the Corvus Law Group had attempted to appear
7 telephonically the morning of the hearing, even though clearly posted court rules require advance
8 arrangements. On May 9, 2011, a full week after it was due and three days after the hearing, the
9 Corvus Law Group filed the required statement of fees and expenses.

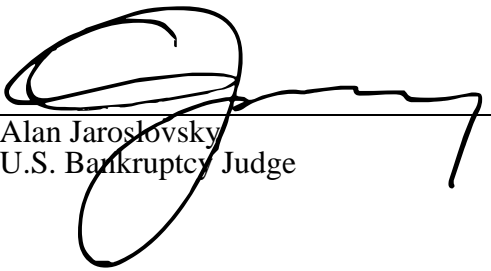
10 The Corvus Law Group has now moved the court for relief from the May 6 order. They argue
11 “excusable neglect,” a calendaring error. It’s principal, Ryan West, says in just a sentence or two that
12 he calendared the hearing for the wrong week.

13 The motion does not establish excusable neglect. It does not describe the Corvus Law Group
14 calendaring system, who was responsible for calendaring the hearing and what went wrong. It does
15 not discuss why Bruce’s original motion heard on April 15 was ignored. Most tellingly, it does not
16 explain why the Corvus Law Group knew about the hearing on May 6 and made a frantic last-minute
17 attempt to appear telephonically just before the hearing. If the matter had truly been mis-calendared,
18 the Corvus Law Group would not have realized it until it received the court’s order. The Corvus Law
19 Group has not established that its neglect was excusable, and its motion will accordingly be denied.

20 The urgencies of the situation do not allow the court it indulge the Corvus Law Group’s
21 disregard for this court and its orders. Bruce is in desperate need of legal representation immediately;
22 her case will certainly be dismissed or converted in the next few days if she is unable to retain
23 competent counsel. The funds she paid to the Corvus Law Group represent her only possible hope for
24 reorganization. The court finds the Corvus Law Group, Ryan R. West and Quyn Nhu Trinh in
25 contempt and will accordingly keep its order of May 6 in effect until there is full compliance.

26 A separate order will be entered.

1 Dated: May 22, 2011

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Alan Jaroslovsky
U.S. Bankruptcy Judge